



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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<http://ceo.lacounty.gov>

February 15, 2011

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**FIVE-YEAR LEASE RENEWAL OPTION LEASE NO. 68558  
CHILD SUPPORT SERVICES DEPARTMENT  
1020 EAST PALMDALE BOULEVARD, PALMDALE  
(FIFTH DISTRICT) (3 VOTES)**

**SUBJECT**

This recommendation is for a five-year lease renewal of 16,500 square feet of office space and 76 parking spaces located at 1020 East Palmdale Boulevard, Palmdale, for the Child Support Services Department.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that the lease renewal is categorically exempt from the California Environmental Quality Act pursuant to Class 1, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State of California Environmental Quality Act Guidelines.
2. Approve and instruct the Mayor to exercise the five-year option to renew the lease with Coast United Advertising (Lessor) for 16,500 rentable square feet of office space located at 1020 East Palmdale Boulevard, Palmdale (5), for Child Support Services Department at an annual first year rent not to exceed \$316,593. The lease costs are 36 percent State and 64 percent Federal funding.

Board of Supervisors  
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First District

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### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Child Support Services Department (CSSD) has leased 16,500 rentable square feet of office space at this location since 1996. This is a direct service program which services the public in the service area encompassing the northern portion of the County of Los Angeles (County). This CSSD office provides child support case management for approximately 17,130 cases with an average number of 810 scheduled interviews per month. The facility also serves as a mandatory archival file retention space for caseload record storage.

Should the County not renew the lease by its expiration on February 22, 2011, it would lose its cancellation right under the current lease agreement, limiting CSSD's ability to pursue future downsizing and relocation opportunities.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Children, Family and Adult Well-Being (Goal 2) directs that we enhance integrated services and develop economic and social outcomes through integrated, cost-effective and client-centered approaches. The proposed lease renewal supports this goal with the consolidation of department services to better serve constituents. This proposed lease renewal complies with the Strategic Asset Management Principles, as shown in Attachment A.

### **FISCAL IMPACT/FINANCING**

The lease contains a provision for Consumer Price Index (CPI) increases of no greater than 4 percent of the monthly base year rent or lower than the previous year's base rent. The actual amount of the CPI has not yet been calculated. However, the maximum annual first year rent of the renewal term would not exceed \$316,593 based on the provisions of the lease.

1020 EAST PALMDALE	EXISTING LEASE	LEASE RENEWAL	CHANGES
AREA (SQUARE FEET)	16,500	16,500	None
TERM	2/23/2006 – 2/22/2011	2/23/2011 - 2/22/2016	Five years
ANNUAL BASE RENT	\$308,025	\$316,593	Maximum + \$8,568
PARKING INCLUDED IN RENT	76 on-site spaces	76 on-site spaces	None
CANCELLATION	Anytime on 90 days notice after the 30th month	Anytime on 90 days notice	None
OPTION TO RENEW	One five-year option	One five-year option exercised	None
RENTAL ADJUSTMENT	Annual CPI with a cap of 4 percent of base year monthly rent	Annual CPI with a cap of 4 percent of base year monthly rent	None

Sufficient funding for the proposed lease renewal is included in the 2010-11 Rent Expense budget and will be charged back to CSSD. Sufficient funding is available in CSSD's operating budget to cover the proposed lease costs.

The annual lease cost for CSSD is approximately 36 percent State and 64 percent Federal funding.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Notice of intent to exercise this option has been provided to the Lessor. The lease renewal requires your Board to exercise the option and contains the following terms and conditions.

- The term commences February 23, 2011 and expires five years thereafter.
- There is a cancellation provision allowing the County to cancel anytime on 90 days prior written notice during the five-year term.
- The rent includes on-site parking for 76 vehicles.
- The lease continues on a modified full service basis. The County is responsible for its electrical use.
- The rent under the lease renewal will be subject to annual CPI increases capped at 4 percent of the original monthly base rent of \$17,850. The maximum CPI increase is limited to 4 percent or a maximum of \$8,568 for the initial year of the lease renewal.
- There are no tenant improvements included with the renewal of the lease.

The CEO Real Estate staff surveyed the County for alternative sites as requested by CSSD. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Additionally, CEO Real Estate staff surveyed the County areas that best could service this need of the department to determine the market rate of comparable sites. Based upon said survey, staff has established that the base rental range including parking for similar property is between \$19 and \$20 per square foot per year modified full service. Thus, the base annual rent of \$19.19 per square foot for the base lease cost is within the market range. Attachment B shows County-owned and leased facilities within the search area for these programs and none are available to house these programs.

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The Department of Public Works previously inspected this facility and its recommendation concluded the facility met the County's requirements for use by the County.

**NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT**

The CEO has made an initial study of environmental factors and has concluded that this project is exempt from California Environmental Quality Act (CEQA) pursuant to Class 1, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

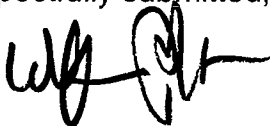
**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed lease renewal will provide the necessary office space for this County requirement. CSSD concurs with the proposed lease renewal.

**CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors return two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division, 222 South Hill Street, Los Angeles, CA 90012.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:RLR:WLD  
CEM:TS:hd

Attachments

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor Controller  
Child Support Services

**CHILD SUPPORT SERVICES DEPARTMENT**  
**1020 EAST PALMDALE BOULEVARD, PALMDALE**  
**Asset Management Principles Compliance Form<sup>1</sup>**

<b>1.</b>	<b><u>Occupancy</u></b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
	A	Does lease consolidate administrative functions? <sup>2</sup>			X
	B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>			X
	C	Does this lease centralize business support functions? <sup>2</sup>			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2 1</sup> <b>191 sq. ft. per person.</b>	X		
<b>2.</b>	<b><u>Capital</u></b>				
	A	Is it a substantial net County cost (NCC) program? <b>34% State and 64% Federal Funding.</b>		X	
	B	Is this a long term County program?	X		
	C	If yes to 2 B or C; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment B?	X		
	G	Was build-to-suit or capital project considered? <b>A build to suit is not economically feasible for this size project.</b>		X	
<b>3.</b>	<b><u>Portfolio Management</u></b>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?	X		
	D	Why was this program not co-located?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. ____ No suitable County occupied properties in project area.			
		3. ____ No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. <u><b>X</b></u> The Program is being co-located.			
	E	Is lease a full service lease? <sup>2</sup> <b>No, the County is responsible for all electricity consumed by its use, because the lessor refuses to pay for this utility.</b>		X	
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
	<sup>1</sup> As approved by the Board of Supervisors 11/17/98				

<sup>2</sup>If not, why not?

## Attachment B

**SPACE SEARCH – WITHIN SERVICE AREA OF CSSD CLIENT PARTICIPANTS,  
1020 EAST PALMDALE BOULEVARD, PALMDALE  
CHILD SUPPORT SERVICES DEPARTMENT**

Laco	Name	Address	Gross SQFT	Net SQFT	Ownership	SQFT Available
A623	LANCASTER DCFS REGIONAL OFFICE	1150 W AVENUE J, LANCASTER 93534	18,410	18,410	LEASED	NONE
A294	LANCASTER COURTHOUSE-JURY ASSEMBLY ROOM	1040 W AVENUE J, LANCASTER 93534	1,440	1,296	OWNED	NONE
A445	FIRE-LANCASTER FIRE PREVENTION SUBOFFICE	44933 N FERN AVE, LANCASTER 93534	30	30	GRATIS USE	NONE
Y247	DCSS-ANTELOPE VALLEY SENIOR CENTER	777 W JACKMAN ST, LANCASTER 93534	9,424	6,965	OWNED	NONE
Y397	PUBLIC LIBRARY-LANCASTER LIBRARY	601 W LANCASTER BLVD, LANCASTER 93534	48,721	43,850	OWNED	NONE
A623	DCFS - F.I.L.P.	1420 W AVENUE I, LANCASTER 93534	194	184	LEASED	NONE
A297	SHERIFF-LANCASTER ADMINISTRATIVE OFFICE	501 W LANCASTER BLVD, LANCASTER 93534	7,557	6,801	PERMIT	NONE
Y373	PW WWD#04-NORTH ADMINISTRATION BUILDING	419 W AVENUE J, LANCASTER 93534	4,128	3,446	OWNED	NONE
A192	PROBATION-ANTELOPE VALLEY AREA OFFICES	321 E AVENUE K-4, LANCASTER 93535	6,400	6,080	LEASED	NONE
0302	PW-SEWER MAINTENANCE NORTH YARD OFFICE	45712 N DIVISION ST, LANCASTER 93534	864	821	OWNED	NONE
A079	ASSESSOR-LANCASTER REGIONAL OFFICES	251 E AVENUE K-6, LANCASTER 93534	15,338	13,712	LEASED	NONE
A623	DCFS FILP	251 E AVENUE K-6, LANCASTER 93534	2,669	2,357	LEASED	NONE
X495	PW-WATERWORKS NORTH MAINTENANCE AREA HQ BLDG	260 E AVENUE K-8, LANCASTER 93535-4527	13,200	11,155	OWNED	NONE
X542	PW-WATERWORKS NORTH MAINT AREA OFFICE	260 E AVENUE K-8, LANCASTER 93535-4527	2,000	1,900	OWNED	NONE
A008	ANTELOPE VALLEY SERVICE CENTER-BUILDING B	335 E AVENUE K-6, LANCASTER 93534	51,000	42,592	LEASED	NONE
A433	ANTELOPE VALLEY SERVICE CENTER-BUILDING A	349 E AVENUE K-6, LANCASTER 93534	51,000	33,932	LEASED	NONE
A642	DPSS-LANCASTER GR/GROW OFFICE	335 E AVENUE K-10, LANCASTER 93535-4539	22,040	20,938	LEASED	NONE
A035	BOARD OF SUP-5TH DISTRICT FIELD OFFICE	1113 W AVENUE M-4, PALMDALE 93550	1,241	1,164	LEASED	NONE
4122	ANIMAL CONTROL #5-ADMINISTRATION	5210 W AVENUE I, LANCASTER 93536	2,237	788	OWNED	NONE
4586	LANCASTER COURTHOUSE SERVICES BLDG	1110 W AVENUE J, LANCASTER 93534	18,488	12,314	OWNED	12,314
0059	PW Road –Div #551 Maintenance	4859 W Ave L-12 Quartz Hill	1,2501	1,125	OWNED	NONE
D620	Public Library-Quartz Hill	42018 N 50 <sup>th</sup> St. W., Quartz Hill	3,530	3,291	LEASED	NONE
A035	Board of Supervisors 5 <sup>th</sup> District Field Office	1113 W 4 <sup>th</sup> Street W, Lancaster	1,241	1,164	LEASED	NONE
X511	Antelope Valley Courthouse	42011 4 <sup>th</sup> St, W, Lancaster	389,000	267,610	FINANCED	NONE
A125	Lake Los Angeles Library	16921 E Avenue O, Palmdale	3,245	2,921	LEASED	NONE
A125	Lake Los Angeles Clinic	16921 E Avenue O, Palmdale	2,457	2,211	LEASED	NONE
A509	Palmdale Courthouse	38256 Sierra Highway, Palmdale	18,528	16,256	OWNED	NONE